

Alaska Communications

September, 2011



Wireline and Wireless Network: Built for Data

Wireless coverage

- 85% POPs - 75% EVDO Rev A
- 75% in owned footprint
- Premier L49/Canada 3G Roaming Agreements
- Ample 3G/4G Spectrum

Wireline network

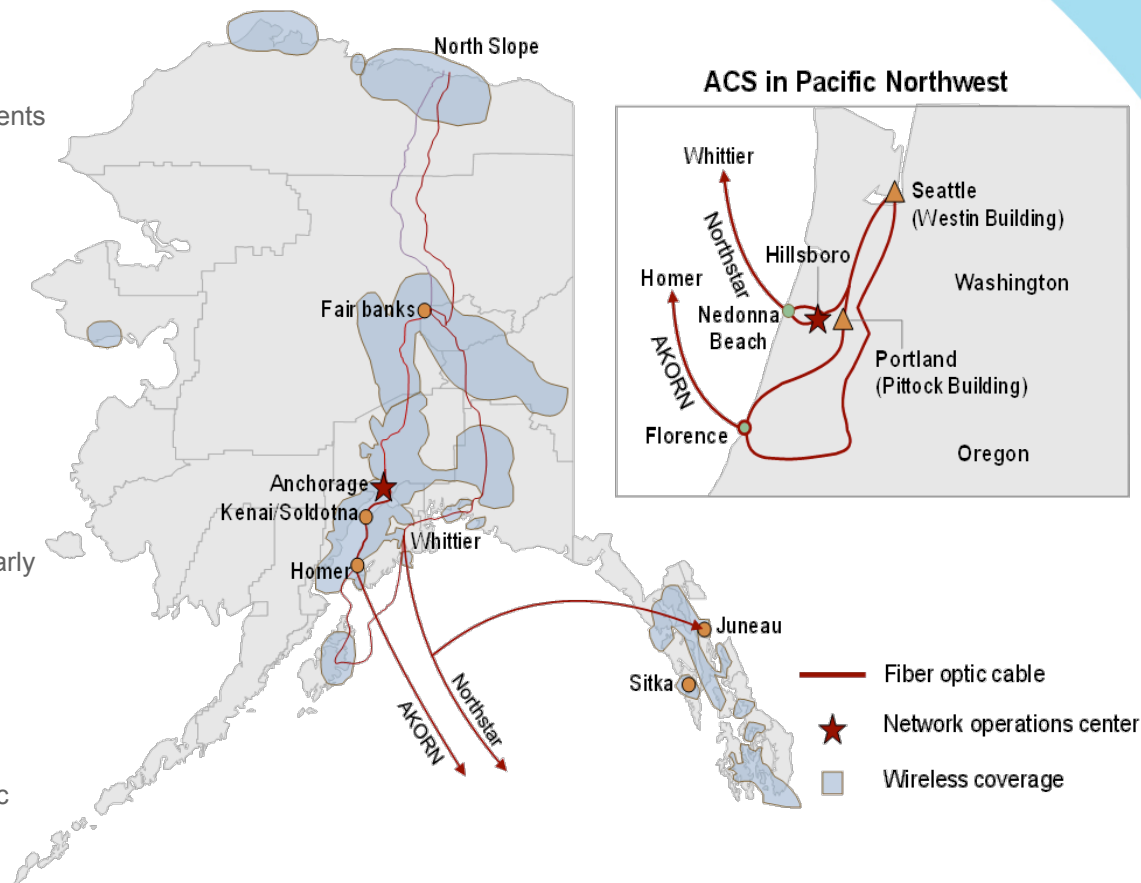
- The **ONLY** Statewide MPLS and Metro Ethernet network
- >90% coverage in towns >5K
- Peering points (Seattle & Portland)

Rural and Bush Services

- Wireless or wireline service provided to nearly 60% of POPs in Rural & Bush Alaska

Long Haul Fiber

- AK, WA and OR
- Redundant Submarine cables
- Serve about 1/3 of trans-Pacific cable traffic (Ex. TATA, Southern Cross, TPE)



EXPERIENCE ONE OF THE SMARTEST NETWORKS IN ALASKA AND BEYOND.

CONNECT

- Secure, reliable connectivity from Alaska's premier wireless, wireline, Internet and data network solutions provider.

HOST

- Hosted space, storage, and server solutions for organizations of all sizes, locations, and industries.

MANAGE

- End-to-end IT management from our network to your desktops.

- ☆ Network Operations Control Center & Remote Data Hosting Center
- Local Voice & Data Switch Site
- △ MPLS / Ethernet Locations
- Fiber Optic Cable
- Microwave Links
- Voice & 3G Data
- Voice & 1x Data
- Voice & Texting
- No Coverage

Updated on 04/25/11. This map is a geographical representation and coverage shown is approximate. Depiction includes both owned and leased assets. Service may not be available at all times or in all locations. Equipment, topography, environment or other conditions may adversely affect service. Network coverage includes planned 2011 coverage enhancements.

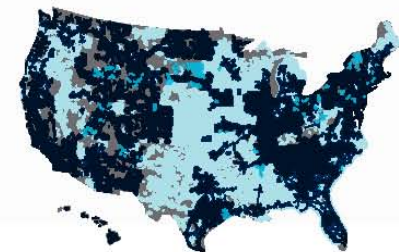


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To learn more, visit alaskacomcommunications.com, email us at tel@alaska.com or call 877-564-3393.



NATIONWIDE WIRELESS COVERAGE



NORTHWEST CONNECTION



Enabling Cloud Services for Business

Connect

- MPLS/Metro Ethernet
- Wireless & Mobile Broadband
- Dedicated Internet Access
- Private Line
- Unified Communications
- Video Conferencing

- About 800 Skilled Professionals
- Client Account Managers in AK, DC, OR and KS
- Certified Engineers
- PMI Certified PMPs

Host

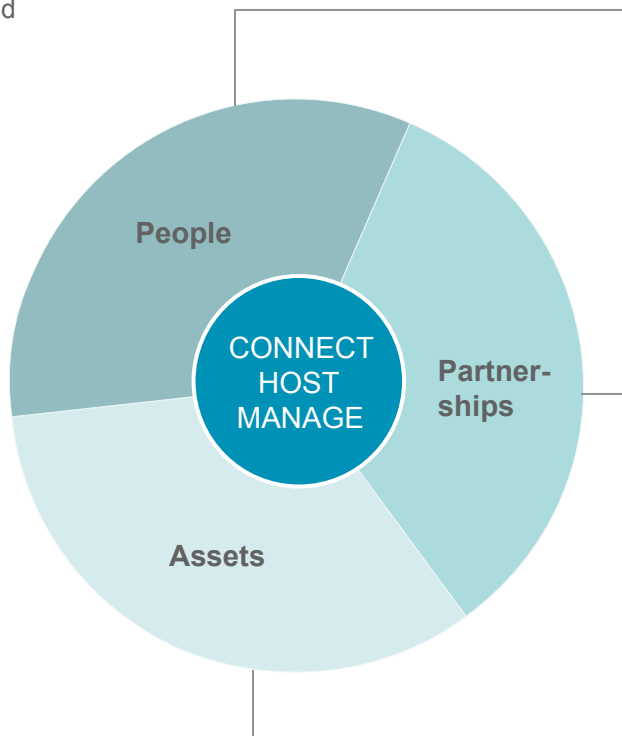
- Hosted Space
- Hosted Storage
- Hosted Platform
- Hosted Applications

- Integrators
- IT and Unified Communications providers
- Telecommunications Leaders

Manage

- Network Management
- IT Management (TekMate)
- Fleet Management

- The only statewide Metro Ethernet and MPLS network
- The largest 3G data wireless network
- The only redundant 24/7 NOCC in AK and OR
- Geographically Diverse fiber network connecting AK to L48
- Redundant Data Hosting Centers in AK and OR



Support Is Necessary To Achieve Universal Service in Alaska

- Alaska is an underserved market that has special needs different from those in the Lower 48 states
- Existing USF mechanisms have successfully brought modern and competitive wireline and wireless telecommunications to high cost and isolated communities
- Current USF reform proposals do not work for Alaska
 - The ABC plan is unlikely to promote broadband in Alaska, and may reduce existing voice services in rural Alaska
- There has been significant dialog among Alaska providers since the FCC's Public Notice – no state-wide consensus yet, but dialog is continuing
- ACS and GCI agree on many aspects of an Alaska-specific plan
 - ACS has tried to ensure that its proposals will allow the small RLECs as well as ACS and GCI to continue to invest in broadband in the state

Target Alaska Fund Will Promote Broadband Investment Throughout the State

- Freeze USF at 2010 levels & designate a **Target Alaska Fund (“TAF”)**
 - ILECs receive the same amount per study area as received in 2010
 - CETCs receive the same per-line support as received in 2010
 - Rural CETC growth funded in phases, as follows:
 - Reduce by up to 15% any CETC per-line support exceeding the average monthly support for study areas with fewer than 500 lines;
 - Reduce ETC support in Anchorage by up to 20%/year as needed;
 - Reduce ETC support in Fairbanks & Juneau by up to 10%;
 - Reduce ETC in other study areas support by up to 10%
 - Consumers benefit from competitive services
- 75% of households would have broadband within 10 years, 65% within 5 years, where affordable terrestrial bandwidth is available

Don't Penalize Alaska For Undertaking Early Access Charge Reform

- Alaska should be exempt from further interstate access charge reductions
 - ACS voluntarily reduced its interstate switched access rates when it elected price cap treatment in 2009 (the target ATS rate is \$0.0095)
 - The RCA eliminated intrastate CCL charges and increased end-user fees via the NAF (a state SLC) and AUSF contributions
 - Alaska end-users already pay \$25-30 per month for local phone service when all fees and charges are included
 - The FCC should require Alaska LECs only to reduce intrastate local switching charges to parity with interstate rates
 - Further reductions benefit only the largest carriers terminating traffic in Alaska

Wireless Consolidation Threatens Broadband Deployment In Smaller Markets

- Consolidation in the wireless industry threatens smaller providers and is an impediment to 4G broadband deployment
- 4G data roaming is uncertain
- Handset devices not generally available to smaller providers



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